

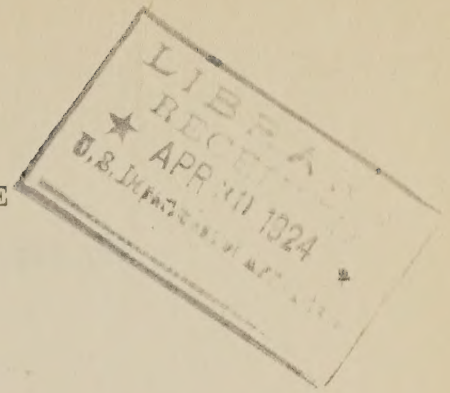
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UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics



PROPOSED REGULATIONS

of the Secretary of Agriculture

for Bean Warehouses

Under the

UNITED STATES WAREHOUSE ACT OF

August 11, 1916,

as Amended.

:
: The attached regulations are merely tentative and are :
: drafted as a basis for consideration in hearings to :
: be held in the various important bean producing centers :
: in the United States. The purpose of the hearings is to :
: give those interested an opportunity to make such sugges- :
: tions as they believe pertinent in the matter. After the :
: hearings, such changes will be made as may seem desirable, :
: before the regulations are officially promulgated. :
:

TENTATIVE
REGULATIONS FOR WAREHOUSES STORING BEANS UNDER THE
UNITED STATES WAREHOUSE ACT

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Regulation 1.

Definitions

Words import
singular or plu-
ral.

Section 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

Terms defined

Sec. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean -

Beans

Paragraph 1. Only dry edible beans used for human consumption.

The Act.

Paragraph 2. The Act. -- The United States warehouse Act approved August 11, 1916 (39 U.S. Stat. at L., pp 446, 486), as amended.

Person.

Paragraph 3. Person.-- An individual, corporation, partnership, or two or more persons having a joint or common interest.

Secretary.

Paragraph 4. Secretary.-- The Secretary of Agriculture of the United States.

Chief of the
Bureau.

Paragraph 5. Chief of the Bureau.-- The Chief of the Bureau of Agricultural Economics.

Regulations.

Paragraph 6. Regulations.-- Rules and regulations made under the Act by the Secretary.

Bureau.

Paragraph 7. Bureau.-- The Bureau of Agricultural Economics of the United States Department of Agriculture.

Warehouse.

Paragraph 8. Warehouse.-- Any suitable building, structure, or other protected inclosure in which beans are or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which beans are or may be stored.

- Warehouseman. Paragraph 9. Warehouseman.-- Any person lawfully engaged in the business of storing beans.
- License. Paragraph 10. License.-- A license issued under the Act by the Secretary.
- Licensed warehouseman. Paragraph 11. Licensed warehouseman.-- A warehouseman licensed as such under the Act.
- Licensed warehouse. Paragraph 12. Licensed warehouse.-- A warehouse for the conduct of which a license has been issued.
- Licensed warehouseman's bond. Paragraph 13. Licensed warehouseman's bond.-- A bond required to be given under the Act by a licensed warehouseman.
- Licensed grader. Paragraph 14. Licensed grader.-- A person licensed under the Act by the Secretary to grade and to certificate the grade or other class of beans stored or to be stored in a licensed warehouse.
- Licensed weigher. Paragraph 15. Licensed weigher.-- A person licensed under the Act by the Secretary to weigh and certificate the weight of beans stored or to be stored in a licensed warehouse.
- Licensed inspector. Paragraph 16. Licensed inspector.-- A person licensed under the Act by the Secretary to inspect, to sample, to grade and to certificate the grade and condition for storage of beans.
- Receipt. Paragraph 17. Receipt.-- A warehouse receipt.
- Dockage. Paragraph 18. Dockage.-- See "pick".
- Pick. Paragraph 19. Pick.-- The term "pick" includes any material other than beans together with undeveloped, shriveled, discolored, damaged and small pieces of beans which are picked by hand or eliminated by mechanical means from the lot. The pick shall be calculated in terms of percentage based on the total weight of the beans including the material to be eliminated.

Regulation 2. Warehouse Licenses.

- Application form. Section 1. Applications for licenses under sections 4 and 9 of the Act and for modifications or extensions of licenses under Section 5 of the Act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the Bureau, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the Chief of the Bureau shall find to be necessary to the consideration of his application.

Grounds for
not issuing
license.

Sec. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of beans, that the warehouseman is incompetent to conduct such warehouse in accordance with the Act and these regulations, or that there is any other sufficient reason within the purposes of the Act for not issuing such license.

Net assets
required.

Sec. 3. The warehouseman conducting a warehouse licensed or for which application for license has been made under the Act, shall have and maintain above all exemptions and liabilities ~~not~~ assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least 20% per hundred weight of the maximum number of hundred weight that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the Chief of the Bureau, except that the amount of such assets shall not be less than \$5,000, and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with paragraph 2 of section 2 of regulation 3.

Application
for modifica-
tion or ex-
tension.

Sec. 4. Each application for a modification or extension of a license under section 5 of the Act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the Chief of the Bureau, shall be in English, shall be signed by the applicant, and shall be filed with the Secretary not less than 30 days before the date of the termination of the license then in effect.

Time of fil-
ing.

License or
extension
shall be
posted.

Sec. 5. Immediately upon receipt of his license or of any modification or extension thereof under the Act, the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors.

Suspension,
cancellation or
revocation of ware-
house licenses.

Sec. 6. Pending investigation, the Secretary, whenever, he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing, when

possible, has been afforded in the manner prescribed in this section, cancel a license issued to a warehouseman when such warehouseman is (a) bankrupt or insolvent, (b) has parted, in whole or in part, with his control over the licensed warehouse, (c) is in process of dissolution or has been dissolved, (d) has ceased to conduct such licensed warehouse, or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in sub-divisions (a) to (e) of this section shall come into existence it shall be the duty of the warehouseman to notify immediately the Chief of the Bureau of the existing condition. Before a license is revoked, or canceled for any violation of, or failure to comply with, any provision of the Act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of terminated, suspended, revoked, or canceled warehouse license.

Sec. 7. In case a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary when requested. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the licensed warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 5 of this regulation.

Lost or destroyed warehouse license,

Sec. 8. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number at the discretion of the Secretary.

Unlicensed warehousemen must not represent themselves as licensed.

Sec. 9. No warehouse or its warehouseman shall be designated as licensed under the Act and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and uncanceled license for the conduct of such warehouse.

Regulation 3. Warehouse Bonds.

Time of filing.

Section 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time if any specified by the Secretary, said bond to cover all obligations arising thereunder during the period of the license.

Amount based on storage capacity.

Sec. 2. Paragraph 1. Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of 20¢ per hundredweight or fractional part thereof, of the maximum number of hundred weight that the warehouse will accomodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the Chief of the Bureau, but not less than \$5,000 nor more than \$50,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the Act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation.

Additional amount for deficiency in net assets.

Paragraph 2. In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond, fixed in accordance with paragraph 1 of this section, an amount equal to such deficiency.

Additional amount for special conditions.

Paragraph 3. In case the Secretary finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Extension or modification of license and additional bond

Sec. 3. In case an application is made under regulation 2, section 1, for a modification or an extension of a license and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary that his application for such modification or extension will be granted upon compliance by such warehouseman with the Act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the Act. In the discretion of the Secretary, a properly executed instrument in form approved by him, extending, extending or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the Act and these regulations

may be filed in lieu of a new bond.

New bond required to continue license beyond one year.

Sec. 4. Whenever a license has been issued for a period longer than one year, such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

Approval of bond.

Sec. 5. No bond, amendment or continuation thereof shall be deemed accepted for the purposes of the Act and these regulations until it has been approved by the Secretary.

Regulation 4. Warehouse Receipts.

Contents of negotiable and non-negotiable receipts.

Section 1. Paragraph 1. Every receipt, whether negotiable or nonnegotiable, issued for beans stored in a licensed warehouse shall, in addition to complying with the requirements of section 18 of the Act, embody within its written or printed terms the following: (a) the name of the licensed warehouseman and the designation, if any, of the Warehouse, (b) the license

number of the warehouse, (c) a statement whether the warehouseman is incorporated or unincorporated, and if incorporated, under what laws, (d) the tag number given to each lot of beans in accordance with regulation 5, section 11, (e) a statement conspicuously placed, whether or not the beans are insured, and, if insured to what extent, by the warehouse against loss by fire, lightning, (f) a blank space designated for the purpose in which the condition of the beans shall be stated, (g) a blank space designated for the purpose in which the variety of the beans shall be stated, (h) in the case of beans the identity of which is to be preserved, the identification or location, in accordance with regulation 5, section 13, (i) the net weight, including dockage or pick, if any, (j) the words "Not Negotiable", Non-Negotiable", according to the nature of the receipt, clearly and conspicuously printed or stamped thereon, and (k) a statement indicating the amount of shrinkage agreed upon between the depositor and the warehouseman, in the case of non-identity preserved beans.

Storage
Period

Paragraph 2. Every receipt, whether negotiable or non-negotiable issued for beans stored in a licensed warehouse shall specify a period, not exceeding one year, for which the beans are accepted for storage under the Act and these regulations, but, upon demand and surrender of the old receipt by the lawful holder thereof at or before the expiration of the specified period, the warehouseman upon such lawful terms and conditions as may be granted him at such time to other depositors of beans in the warehouse shall issue a new receipt for a further specified period not exceeding one year, or, if he continues to act as a public warehouseman but not as a licensed warehouseman, issue a new non-licensed receipt. Provided, it is actually determined that, by the licensed inspector that there has been no deterioration in the quality.

Extension of
Receipt

Grade of other
class of beans

Paragraph 3. Whenever the grade or other class of beans is stated in a receipt issued for beans stored in a licensed warehouse, such grade or other class shall be stated in the receipt in accordance with regulation 8.

Additional
contents of

Paragraph 4. The grade stated in a receipt issued for beans the identity of which is not to be preserved, stored in a licensed warehouse, shall be stated as determined by the licensed grader who last graded the beans before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (a) that the beans covered by the receipt were inspected by a licensed inspector, and (b) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on the beans covered by the receipt.

When grade
omitted receipt
must be so
marked.

Paragraph 5. If a warehouseman issue a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the Act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor". In no instance shall a receipt be issued until the beans have been inspected by a licensed inspector.

Blank spaces
in receipt to
be filled in.

Paragraph 6. If a warehouseman issue a receipt under the Act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

Copies of
Receipts.

Sec. 2. If any copies of receipts are made, all such copies, except those issued in lieu of the original in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the words "Copy - Not Negotiable".

Lost or
destroyed
receipts.

Sec. 3. Paragraph 1. In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.

Affidavit of
loss or destruc-
tion of receipts.

Paragraph 2. Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success and (b) a bond in an amount double the value, at the time the bond is given, of the beans represented by the lost or destroyed receipt. Such bond shall be in the form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as a surety thereon (a) a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

Approval of
forms of
receipts.

Sec. 4. All receipts to be issued by a licensed warehouseman shall be in form approved by the Chief of the Bureau. Such receipts shall be printed on specially designated paper and shall be secured thru printers specially designated by the Bureau for the purpose of printing warehouse receipts under the Act.

Partial
delivery of
beans.

Sec. 5. If a warehouseman deliver a part only of a lot of beans for which he has issued a negotiable receipt under the Act, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the beans.

Return of
receipts before
delivery of
beans.

Sec. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver beans for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver beans for which he has issued a non-negotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgement thereof.

Warehouseman
not to attempt
to compel grade
to be omitted.

Sec. 7. No licensed warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any beans stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

Regulation 5. Duties of Licensed Warehouseman.

Beans must
be inspected by
licensed in-
spector.

Sec. 1. No licensed warehouseman shall receive beans into his licensed warehouse for storage or any other purpose, unless such beans have been inspected and approved at the time such beans are offered for entry and storage in such warehouse by an inspector licensed under the Act and these regulations, and no licensed warehouseman shall store beans the identity of which is not to be preserved until the grade of such beans has been determined by a licensed inspector.

Insurance against
fire, lightning,
or tornado.

Section 2. Paragraph 1. Each licensed warehouseman when so requested in writing as to any beans by the depositor thereof or lawful holder of the receipt covering such beans, shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such beans while in his custody as a licensed warehouseman insured in his own name, or arrange for their insurance otherwise, to the extent so requested, against loss or damage by fire, lightning, or tornado. When insurance is not carried in the warehouseman's name, the receipts shall show that the beans are not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought, in the State where the warehouse is located.

If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent a warehouseman from adopting a rule that he will insure all beans.

Notice regarding insurance to be posted.

Paragraph 2. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulations², section 5, and at such other place as the Chief of the Bureau or his representative may from time to time designate a notice stating briefly the conditions under which the beans will be insured against loss or damage by fire, lightning or tornado.

Premiums, inspection, and reports.

Sec. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Warehouseman to collect and pay insurance.

Sec. 4. Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, promptly pay to the persons concerned any portion to such moneys which they may be entitled to receive from him.

Agreement as to shrinkage.

Sec. 5. At the time beans are received for storage the warehouseman and the depositor shall agree upon an amount to be allowed for shrinkage while the products are in storage, such shrinkage to include loss caused by rodents and by natural drying out of the beans, and such agreements shall be clearly stated on the warehouse receipt.

Care of beans
in licensed
warehouse.

Sec. 6. Each warehouseman shall at all times exercise such care in regard to beans in his custody as a reasonably careful owner would exercise under the same circumstances and conditions.

Care of non-
licensed beans
or other com-
modities.

Sec. 7. If at any time a warehouseman shall handle beans other than for storage, or shall handle or store any other commodity, he shall so protect the same and otherwise exercise much care with respect to them, as not to endanger the beans in his custody as a licensed warehouseman or impair his ability to meet his obligations and perform his duties under the Act and these regulations. If the warehouseman shall store commodities other than those for which he is licensed, a non-licensed receipt shall be issued, which shall contain in its terms a provision that said commodities are accepted for storage only until such time as the space which they may occupy may be needed for products for the storage of which the warehouseman is licensed. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely effect the commercial value, or the insurance on beans covered by licensed receipts.

Records to be
kept in safe
places.

Sec. 8. Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the licensed warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that with the written consent of the Bureau, or its representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety, approved by the Bureau or its representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter.

Warehouse
charges.

Sec. 9. A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted under the Act the Warehouseman shall file with the Bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges he shall file with the Bureau a statement in writing showing the proposed change and the reasons therefor. Each licensed warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place, accessible to the public, as the Chief of the Bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges.

Business
hours.

Sec. 10. Paragraph 1. Each licensed warehouse shall be kept open for the purpose of receiving beans for storage and delivering beans out of storage every business day for a period of not less than six hours between the hours of 8 a.m. and 6 p.m., except as provided in paragraph 2 of this section. The warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours which the warehouse will be kept open, except when such warehouse is kept open continuously from 8 a.m. to 6 p.m.

Closing of
Warehouse.

Paragraph 2. In case the warehouse is not to be kept open as required by paragraph 1 of this section, the notice posted as prescribed in that paragraph shall state the period during which the warehouse is to be closed and the name of an accessible person, with the address where he is to be found, who shall be authorized to deliver beans stored in such warehouse, upon lawful demand and the surrender of the receipt therefor, as the case may be.

Each lot of
beans to be
tagged.

Sec. 11. Each warehouseman shall, upon acceptance for storage of any lot of sacked beans or of bulk beans to be specially binned, attach to such lot or bin a tag of good quality, which shall identify the lot. Such tags shall show the lot number, the number of receipt issued to cover such beans, the number of sacks in the lot, the variety or type of the beans, the grade, if determined, the gross weight of the beans at the time they entered storage and the date they entered storage.

Arrangement
and tagging of
stored beans.

Sec. 12. Each warehouseman shall so store each lot of beans for which a receipt under the Act has been issued that the tag thereon, required by section 11 of this regulation is visible and readily accessible, and shall arrange all bags in his licensed warehouse so as to permit making a determination of the number of bags in storage at any time.

Grade and
weights accordi-
ing to which
bulk beans
shall be accept-
ed and delivered.

Sec. 13. Each licensed warehouseman shall accept all beans for storage and shall deliver out of storage all beans other than specially binned or sacked beans, in accordance with the grade of such beans as determined by a person duly licensed to grade such beans and to certificate the grade thereof, and in accordance with the weights of such beans as determined by a person duly licensed to weigh such beans, and to certificate the weight thereof, under the Act and these regulations, and in accordance with the agreement regarding shrinkage as shown by the terms of the receipt.

Delivery of
bulk beans.

Sec. 14. Except as may be provided by law or these regulations, each licensed warehouseman, (a) upon proper presentation of a receipt for any bulk, other than bulk beans, specially binned, and upon payment or tender of all advances and legal charges, shall deliver to such depositor or lawful holder of such receipt beans of the grade and quantity specified in such receipt, after making due allowance for such shrinkage as the receipt stipulates and (b) upon proper presentation of a receipt for any beans, the identity of which was to have been preserved during the storage period, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled thereto, the identical beans stored in his licensed warehouse.

System of
Accounts.

Sec. 15. Each licensed warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the Chief of the Bureau, or his authorized representative, which shall show for each bag or lot of beans, the name of the depositor, the weight of the beans, the number of bags in each lot, the grade when grade is required to be, or is, ascertained, the location, the dates received for and delivered out of storage, the receipts issued and canceled, a separate record for each depositor of all such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of beans stored in bags, the tag number mentioned in section 11 of this regulation shall be shown.

Reports.

Sec. 16. Each licensed warehouseman shall, from time to time, when requested by the Bureau, make such reports, on forms prescribed and furnished for the purpose by the Bureau, concerning the condition, contents, operation, and business of the warehouse as the Chief of the Bureau may require.

Copies of reports to be kept.

Sec. 17. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the Bureau, an exact copy of each report submitted by such warehouseman under this regulation.

Canceled receipts to be forwarded to Bureau for auditing.

Sec. 18. Each warehouseman, when requested by the Bureau, shall forward his canceled receipts for auditing to Washington or to such field offices of the Bureau as may be designated from time to time. For the purpose of this section, only such portion as the Bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Inspections and Examinations of Warehouses.

Sec. 19. Each licensed warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and such warehouseman shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Inspection of Weighing Apparatus.

Sec. 20. The weighing apparatus used for ascertaining the weight stated in a receipt or certificate, issued for beans stored in a licensed warehouse, shall be subject to examination by an officer or agent of the Department of Agriculture employed for such purpose. If the Bureau shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any beans for the purposes of the Act and these regulations.

Warehouse to be Kept Clean.

Sec. 21. Each licensed warehouseman shall keep his warehouse clean and free from trash excessive dirt, rubbish and scattered beans. He shall also exercise every precaution to keep his warehouse free of rats or other pests that might cause damage or injury to beans in storage. The licensed warehouseman shall not under any circumstances accept for storage in his licensed warehouse beans showing the presence of weevil, or on which the larvae of weevil are present, nor shall he continue to keep in storage beans so affected, without treating such beans in such manner as will destroy such weevil and larvae or with such chemicals as may be approved by the Bureau for that purpose.

Duty to Fumigate.

Sec. 22. When in the opinion of the Chief of the Bureau or his representatives it may appear necessary, it shall be the duty of each licensed warehouseman to fumigate thoroughly his licensed warehouse with such chemicals as may be approved by the Bureau for that purpose.

Storage of damp, dirty, or frosted beans prohibited.

Sec. 23. The warehouseman shall not under any circumstances accept for storage in his licensed warehouse any beans with moisture content in excess of 17%, that are dirty, or that show any effects of field frost or freezing injury, or that are otherwise of a condition rendering them unsuitable for storage.

Beans to be
stored so as
not to damage.

Sec. 24. A warehouseman shall so handle and so store beans as not to injure or damage them in any manner.

Warehouseman
shall Give Notice
of Beans Going
Out of Condition

Sec. 25. Par. 1. If the licensed warehouseman, with the approval of the licensed inspector, shall determine that any beans are deteriorating and that such deterioration can not be stopped, the licensed warehouseman shall give immediate notice of the fact in accordance with Paragraphs 2 and 3 of this Section.

Contents of
Notice.

Par. 2. Such notice shall state (a) the warehouse in which the beans are stored, (b) the quantity, kind and grade of the beans at the time the notice is given, (c) the actual condition of the beans as nearly as can be ascertained, and the reason if known, for such condition, (d) the outstanding receipts covering the beans out of condition, giving the number and date of each such receipt and the quantity, the kind and grade of the beans as stated in each such receipt, and (e) that such beans will be delivered upon the return and cancellation of the receipts therefor.

Persons to
whom notice
shall be sent

Par. 3. A copy of such notice shall be delivered in person or shall be sent by mail (a) to the persons holding the receipts if known to the licensed warehouseman, (b) to the person who originally deposited the beans, (c) to any other persons known by the licensed warehouseman to be interested in the beans, and (d) to the Chief of the Bureau. If the holders of the receipts and the owners of the beans are known to the licensed warehouseman and can not, in the regular course of the mails be reached within 12 hours, the licensed warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense.

Notice to be
posted

Public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license.

Record of
persons interest-
ed in receipt for
beans

Par. 4. Any person, interested in any beans or the receipt covering such beans stored in a licensed warehouse, may, in writing, notify the licensed warehouseman, of the fact, of his interest, and such licensed warehouseman shall keep a record of that fact. If such person request in writing that he be notified regarding the condition of any such beans and agree to pay the cost of any telegraph or telephone toll charge, such licensed warehouseman shall notify such person in accordance with such request.

Beans may be sold
at public auction
after notice

Par. 5. If the beans, advertised in accordance with the requirements of section 28 of this regulation, have not been removed from storage by the owner thereof within 7 days from the date of notice of their being out of condition, the licensed warehouseman in whose licensed warehouse such beans are stored may sell the same at public auction at the expense and for the account of the owner after giving 7 days' notice in the manner specified in paragraph 3 of section 28 of this

regulation.

Warehouseman
not relieved
from properly
caring for
beans at all
times.

Par. 6. Nothing contained in this section shall be construed as relieving the licensed warehouseman from properly caring for any beans after sending notification of their condition in accordance with this section.

Excess Storage

Sec. 26. If at any time a warehouseman shall be offered for storage in his licensed warehouse, beans in excess of the licensed capacity as shown on his license, he shall not accept such beans until he has first secured authority through an amended license, and after such authority has been granted, the warehouseman shall continue to so arrange the beans as not to obstruct free access thereto and the proper use of sprinklers or other fire protection equipment provided for such warehouse.

Removal of
beans from
storage.

Sec. 27. Except as may be permitted by law or these regulations, a licensed warehouseman shall not remove any beans for storage from the licensed warehouse of the part thereof designated in the receipt, unless such receipt is first surrendered and canceled. Under no circumstances, unless it becomes absolutely necessary to protect the interests of holders of receipts, shall beans be removed from the licensed warehouse, before the surrender of receipts, and immediately upon any such removal the warehouseman shall notify the Chief of the Bureau of such removal and the necessity therefor.

Warehouseman
must comply with
State law and
his contracts.

Sec. 28. Each warehouseman shall faithfully perform his obligation as a warehouseman under the laws of the State in which he is conducting his licensed warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of beans in such warehouse.

Fire lost to
be reported by
wire.

Sec. 29. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by wire to the Chief of the Bureau the occurrence of such fire and the extent of damage.

Inspection or
weight certi-
ficate to be
filed.

Sec. 30. When an inspection or weight certificate has been issued by a licensed inspector or weigher, a copy of such certificate shall be filed with the warehouseman in whose warehouse the beans covered by such certificate are stored, and such certificate shall become a part of the records of the licensed warehouseman.

Regulation 6. Fees.

- Warehouse
license fees. Sec. 1. There shall be charged, assessed, and collected
a fee of \$2 for each warehouseman's license.
- Warehouse
Inspection fees. Sec. 2. There shall be charged, assessed, and collected
each original examination or inspection of a warehouse under
the Act, when such examination or inspection is made upon
application of a warehouseman, a fee at the rate of \$1 for
each 1,000 hundred weight of the storage capacity, or frac-
tion thereof, determined in accordance with paragraph 1 of
section a of regulation 3, but in no case less than \$5 nor
more than \$50, and, for each examination or reinspection
applied for by such warehouseman, a fee, based on the extent
of the reexamination or reinspection, proportioned to, but
not greater than, that prescribed for the original examina-
tion or inspection.
- Advance
deposit Sec. 3. Before any warehouseman's license, modification or
extension thereof is granted, or an original examination or
inspection, or reexamination or reinspection, applied for by
a warehouseman, is made, pursuant to these regulations, the
warehouseman shall deposit with the Bureau the amount of the
fee prescribed therefor. Such deposit shall be made in the
form of a check, certified if required by the Bureau, or post-
office or express money order, payable to the order of
"Disbursing Clerk, Department of Agriculture".
- Return of
excess deposit. Sec. 4. The Disbursing Clerk of the United States Department
of Agriculture shall hold in his custody each advance deposit
made under this regulation until the fee, if any, is assessed
and he is furnished by the Bureau with a statement showing the
amount thereof and against whom assessed. Any part of such
advance deposit which is not required for the payment of any
fee assessed shall be returned to the party depositing the
same.

Regulation 7. Licensed Inspectors and Weighers.

- Licensed in-
spectors and
weighers. Sec. 1. Par. 1. Application for licenses to inspect and grade
or to weigh beans under the Act shall be made to the Chief
of the Bureau on forms furnished for the purpose by him.
- Application
forms. Par. 2. Each such application shall be in English, shall be
signed by the applicant, shall be verified by him under oath
of affirmation administered by a duly authorized officer,

Contents.

and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday, (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made, under the Act in which beans sought to be inspected and weighed under such license are or may be stored, (c) a statement from the warehouseman conducting such warehouse showing whether the applicant is competent and is acceptable to such warehouseman for the purpose, (d) satisfactory evidence that he has had at least one year's experience in the kind of service for which a license is sought or the equivalent of such experience, and that he is competent to perform such services, except in the case of applicants for weighers' licenses one month's experience will be sufficient, (e) a statement by the applicant that he agrees to comply with and abide by the terms of the Act and these regulations so far as the same may relate to him, and (f) such other information as the Bureau may deem necessary, provided, that when an application for a license to inspect beans is filed by a person who does not intend to inspect for any particular licensed warehouseman but who does intend to inspect beans stored or to be stored in a licensed warehouse and to issue inspector certificates therefor, as provided for by the Act and these regulations, independent of the warehouse receipts issued to cover such beans, it shall not be necessary to furnish such statement as is required by sub-division (e) of this paragraph.

Applicant must furnish additional information if required.

Par. 3. The applicant shall at any time furnish such additional information as the Secretary or the Chief of the Bureau shall find to be necessary to the consideration of his application.

Combined inspector's and weigher's application.

Par. 4. A single application may be made by any person for a license to inspect and to weigh upon complying with all the requirements of this section.

Examination.

Sec. 2. Each applicant for a license as an inspector or as a weigher and each ~~inspector~~ or licensed weigher shall, whenever requested by an authorized agent of the Department of Agriculture designated by the Chief of the Bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has licensed,

Posting of license.

Sec. 3. Each licensed inspector shall keep his license conspicuously posted in the office where all or most of the inspecting is done, and each licensed weigher shall keep his license conspicuously posted in the warehouse office or in such place as may be designated for the purpose by the Bureau.

Duties of Inspector and weigher. Sec. 4. Each licensed inspector and each licensed weigher when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms inspect or weigh and certificate the condition, grade or weight for storage of beans stored or to be stored in a licensed warehouse for which he holds a license, if such beans be offered to him under such conditions as permit proper inspection and the determination of the condition, grade, or weight thereof, as the case may be. Each such licensee shall give preference to persons who request his services as such over persons who request his services in any other capacity. No inspection or weight certificate shall be issued under the Act for beans not stored or not to be stored in a licensed warehouse.

Inspection certificate. Sec. 5. Each inspection certificate issued under the Act by a licensed inspector shall be in a form approved for the purpose by the Bureau, and shall embody within its written or printed terms (a) the caption, "United States warehouse Act, Bean Inspection Certificate", (b) whether it is an original, a duplicate, or other copy, (c) the name and location of the licensed warehouse in which the beans are or are to be stored, (d) the date of the certificate, (e) the location of the beans at the time of inspection, (f) the identification number or mark of each lot of beans the identity of which is or is to be preserved, given in accordance with regulation 5, section 11, (g) the grade, dockage or pick and condition of the beans for storage at the time of inspection, (h) that the certificate is issued by a licensed inspector, under the United States warehouse Act and regulations thereunder, (i) a blank space designated for the purpose in which may be stated any general remarks on the condition of the beans, (j) the signature of such licensed inspector. In addition, the inspection certificate may include any other matter not inconsistent with the Act or these regulations, provided the approval of the Bureau is first secured.

Weight certificate. Sec. 6. Each weight certificate issued under the Act by the licensed weigher shall be in a form approved for the purpose by the Bureau, and shall embody within its written or printed terms (a) the caption "United States warehouse Act, Bean Weight Certificate", (b) whether it is an original, a duplicate, or other copy, (c) the name and location of the licensed warehouse in which the beans are to be stored, (d) the date of the certificate, (e) the location of the beans at the time of weighing, (f) the identification number or mark of each lot of beans, the identity of which is or is to be preserved, given in accordance with regulation 5, section 11, (g) the gross weight of the beans, (h) that the certificate is issued by a licensed weigher, under the United States warehouse Act and the regulations thereunder, and (i) the signature of such licensed

weigher. In addition, the weight certificate may include any other matter not inconsistent with the Act or these regulations, provided the approval of the Bureau is first secured.

Combined inspection and weight certificates.

Sec. 7. The weight, grade and condition of any beans ascertained by a licensed inspector or a licensed weigher may be stated on a certificate meeting the combined requirements of sections 5 and 6 of this regulation, if the form of such certificate shall have been approved for the purpose by the Bureau.

Copies of certificates to be kept.

Sec. 8. Each licensed inspector and each licensed weigher shall keep for a period of one year in a place accessible to persons financially interested in the beans a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the beans covered by the certificate are stored.

Licensees to permit and assist in examination.

Sec. 9. Each licensed inspector and each licensed weigher shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine at any time, his books, papers, records, and accounts relating to the performance of his duties under the Act and these regulations, and shall, with the consent of the licensed warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 15 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such licensed inspector or licensed weigher under the Act and these regulations.

Reports.

Sec. 10. Each licensed inspector and each licensed weigher shall, from time to time, when requested by the Bureau, make reports on forms furnished for the purpose by the Bureau, bearing upon his activities as such licensed inspector or licensed weigher.

Suspensions, revocations, or cancellation of inspectors or weigher's license.

Sec. 11. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of an inspector, or of a weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by the inspector or weigher.

or when the inspector or weigher has ceased to perform such services at the licensed warehouse, the Secretary may, without hearing, suspend or cancel the license issued to such inspector or weigher. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to an inspector or a weigher when such inspector or weigher has in any manner become incompetent or incapacitated to perform the duties of a licensed inspector or licensed weigher. As soon as it shall come to the attention of a licensed warehouseman that any of the conditions mentioned in this section exist, it shall be the duty of such warehouseman to notify in writing the Bureau. Before the license of any inspector or weigher is suspended or revoked pursuant to section 12 of the Act, such licensee shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of suspended, revoked or canceled inspector's or weigher's licenses.

Sec. 12. Paragraph 1. In case a license issued to an inspector or to a weigher is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the inspector or weigher to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation.

License terminates with warehouse license.

Paragraph 2. Any license issued to an inspector or weigher shall automatically terminate as to any licensed warehouse whenever the license of such warehouse shall be suspended, revoked or canceled. Thereupon the license of such inspector or weigher shall be returned to the Secretary. In case such license is applicable to warehouses other than those for which the licenses have been suspended, revoked or cancelled, the Secretary shall issue a new license, ^{to the inspector or weigher} omitting the names of the warehouses for which licenses have been so suspended, revoked or canceled. Such new licenses shall be posted as prescribed in section 3 of this regulation.

New Licenses, when issued.

Lost or destroyed inspector's or weigher's licenses.

Sec. 13. Upon satisfactory proof of the loss or destruction of a license issued to an inspector or a weigher a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Unlicensed inspectors and weighers must not represent themselves as licensed.

Sec. 14. No person shall in any way represent himself to be an inspector or weigher licensed under the Act unless he hold an unsuspended, unrevoked, and uncanceled license issued under the Act.

Regulation 8. Bean Inspection and Classification.

Variety, grade and condition to be stated in accordance with regulations.

Section 1. Whenever the variety, grade, or condition of beans is required to be or is stated for the purposes of this Act and these regulations, it shall be stated in accordance with this regulation.

Standards to be used.

Sec. 2. Until such time as official bean grades of the United States are in effect, the variety, grade and condition of beans shall be stated as far as applicable (a) in accordance with the State standards, if any, established in the State in which the warehouse is located, (b) in the absence of any State standards, in accordance with the standards, if any, adopted by any bean organization or by the bean trade generally in the locality in which the warehouse is located, subject to the disapproval of the Chief of the Bureau, or (c) in the absence of the aforesaid standards in accordance with any standards approved by the Chief of the Bureau.

Statement of Variety, grade and condition.

Sec. 3. Whenever the variety, grade or condition of the beans is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the beans. In case of doubt as to the variety, grade or condition of a given lot of beans, a determination shall be made of such facts by drawing samples of not less than $\frac{1}{2}$ pound each from at least 10 per cent of the sacks in a lot, fairly representative of the contents of the lot of beans offered for storage. These samples shall be thoroughly mixed and after being so mixed, from this mixture by quartering, not less than 200 grams shall be taken which shall constitute the sample for the purpose of determining the grade.

Regulation 9. Appeal of Grades.

Method of appeal in case of dispute.

Section 1. Paragraph 1. In case a question arises as to whether the variety, grade, or condition of the beans was correctly stated in a receipt, or inspection certificate issued under the Act or these regulations, the licensed warehouseman concerned or any person financially interested in the beans involved may, after reasonable notice to

the other party, submit the question to such representatives of the Bureau as the Chief of Bureau may appoint. The decision of the representatives of the Bureau shall be final, unless the Chief shall direct a review of the question.

Immediately upon making their decision, the representatives of the Bureau shall issue a certificate, embodying their findings to the appellants and the licensee or licensees involved.

New Receipts or
certificates to
be issued.

Paragraph 2. If the decision of the representatives of the Bureau be that the variety, grade, or condition was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it and the licensee shall issue in lieu thereof a new receipt or certificate embodying therein the statement of variety, grade, or condition in accordance with the findings of the representatives of the Bureau.

Assessment of
Expenses.

Paragraph 3. All necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the Chief of Bureau or his representative shall decide that the expense should be prorated between the parties.

Regulation 10. Miscellaneous.

Regulations
applicable to
State warehouses.

Section 1. Every person applying for a license, or licensed under section 9 of the Act, shall, as such, be subject to all portions of these regulations, except regulation 2, section 3, so far as they may relate to warehousemen. In case there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the Act, to accept the custody of beans and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the Act and these regulations, in such form, and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of beans and their storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses.

If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.

Publications.

Sec. 2. Publications under the Act and these regulations shall be made in service and regulatory announcements of the Bureau of Agricultural Economics, and such other media as the Chief of that Bureau may from time to time designate for the purposes.

Violations of
Act and regulations
to be
reported

Sec. 3. Every person licensed under the Act shall immediately furnish the Chief of the Bureau any information which comes to the knowledge of such person tending to show that any provision of the Act or these regulations has been violated.

Procedure in
hearings,

Sec. 4. For the purpose of a hearing under the Act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the disposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

No conflict
with State or
Federal laws.

Sec. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehouseman, inspectors, or weighers, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, inspectors or weighers now in force in the District of Columbia, or in any Territory or other place under the exclusive jurisdiction of the United States.

Amendments.

Sec. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the Act.

